

**RIDER TS
TRANSMISSION SERVICES****Applicable to Rate RCDS****APPLICABILITY.**

This tariff is applicable to retail customers taking service under the Company's Rate RCDS - Retail Customer Delivery Service (Rate RCDS).

PURPOSE.

This tariff provides for the computation of the transmission services and ancillary transmission services component of the delivery services term, DS_c , in the equation used to compute Customer Transition Charges (CTCs) for all retail delivery services customers as provided in the Calculation of Charges section of Rate CTC - Customer Transition Charge (Rate CTC).

This tariff also provides for the recovery of costs the Company incurs in obtaining transmission services and ancillary transmission services through a Transmission Services Charge for retail customers receiving electric power and energy supply services from the Company on an unbundled basis under the terms of Rider PPO – Power Purchase Option (Market Index) (Rider PPO-MI) or Rider ISS – Interim Supply Service (Rider ISS).

Finally, this tariff provides for the recovery of costs incurred to provide transmission services and ancillary transmission services to retail customers receiving electric power and energy supply services from Retail Electric Suppliers (RESs) in those instances in which any such RES, acting on behalf of such retail customers, arranges for transmission services and/or ancillary transmission services on behalf of such customers but does not remit payment on the customers' behalf in accordance with applicable tariffs or agreements under which the RES arranged for such services.

COMPUTATION APPLICABLE TO RATE CTC.

The calculation and use of the transmission services and ancillary transmission services component (TC_c) of the delivery services term, DS_c , in the equation used to compute CTCs, as provided in the Calculation of Charges section of Rate CTC, provides the mechanism through which the Company is able to credit to delivery services customers costs for transmission services and ancillary transmission services provided to retail customers in the Company's service territory. This credit will apply whether such services are provided by the Company and/or by a regional transmission organization providing transmission services and ancillary transmission services to retail customers within the Company's service territory.

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COMPUTATION APPLICABLE TO RATE CTC (CONTINUED).

$$TC_c = \left(\frac{(TS_{s-Yr} + ATS_{s-Yr})}{E_s - Yr} \right) \times Q_c$$

Where:

- TC_c = Transmission Services and Ancillary Transmission Services Component of the delivery services term, DS_c , in the equation used to compute CTCs, as provided in the Calculation of Charges section of Rate CTC. TC_c is in dollars and reflects the costs incurred to provide delivery of the usage, Q_c , over the transmission system located in the Company's service territory to customers in the customer class, c .
- c = The CTC Customer Class as defined in the CTC Customer Class section of Rate CTC.
- TS_{s-Yr} = Transmission Services revenues, in dollars, received by the Company on account of the use of transmission services by retail customers in its service territory in the calendar year (Year) prior to the date that CTCs are filed with the Illinois Commerce Commission (ICC) for informational purposes for any given Applicable Period as provided in Rate CTC: (a) from retail customers (directly or through a RES) in its service territory; and/or (b) from a regional transmission organization operating the transmission facilities of the Company in the form of a facilities charge paid to compensate the Company for the use of the Company's transmission facilities to deliver electric power and energy to such retail customers.
- ATS_{s-Yr} = Ancillary Transmission Services revenues, in dollars, reported to the Company and paid in the Year to the Company and/or to a regional transmission organization providing such services within the Company's service territory to obtain ancillary transmission services required to deliver electric power and energy to retail customers in the Company's service territory. Such ATS_{s-Yr} shall include amounts paid for scheduling, system control, and dispatch service; reactive supply and voltage control from generation sources service; regulation and frequency response service; net penalties or credits for energy imbalance service; operating reserve — spinning reserve service; operating reserve — supplemental service; and any other service identified as an ancillary transmission service as provided in and reported to the Company in accordance with the then effective tariff on file with the Federal Energy Regulatory Commission (FERC) applicable to the transmission system located within the Company's service territory.

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COMPUTATION APPLICABLE TO RATE CTC (CONTINUED).

E_{s-Yr} = The energy, in kWh, delivered to all retail customers over the transmission system located in the Company's service territory during the Year.

Q_c = The usage, in kWh, of the customers in the CTC Customer Class for the monthly billing periods in the three-year period ending three months prior to the date that such class initially became eligible for service under Rate RCDS that are comparable to the monthly billing periods for the Applicable Period.

CALCULATION OF THE TRANSMISSION SERVICES CHARGE.

The calculation and application of the Transmission Services Charge (TSC) provides the mechanism through which the Company is able to recover the costs it incurs (either under its own OATT or any other applicable tariff on file with the FERC applicable to the transmission system located with the Company's service territory) in obtaining transmission services and ancillary transmission services for retail customers receiving electric power and energy supply services from the Company on an unbundled basis under the terms of Rider PPO-MI or Rider ISS. TSC shall be updated on an annual basis and shall be applicable for the monthly billing cycles extending from June of one year through May of the following year. Historical information used in the determination of TSC shall be for the calendar year prior to the June monthly billing during which the TSC is initially applied. Such calendar year is defined for this computation as the Prior Year.

$$TSC = \left[\frac{(TS + ATS + ARF) \times 100}{E} \right]$$

Where:

TSC = Transmission Services Charge, in cents per kilowatt-hour (kWh), rounded to the nearest 0.001¢/kWh, to be applied to each kWh supplied on an unbundled basis under Rider PPO-MI or Rider ISS in the monthly billing cycle.

TS = Transmission Services cost, in dollars, incurred by the Company in the Prior Year to obtain transmission services required to deliver the electric power and energy supplied to the retail customers to which the TSC is applicable. Such transmission services costs shall include all applicable costs to obtain transmission services used to serve customers taking service under Rider PPO-MI and Rider ISS, including administrative fees and congestion management fees, as provided in the then effective tariff on file with the FERC applicable to the transmission system located within the Company's service territory.

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CALCULATION OF THE TRANSMISSION SERVICES CHARGE (CONTINUED).

ATS = Ancillary Transmission Services cost, in dollars, incurred by the Company in the Prior Year to obtain ancillary transmission services required to deliver the electric power and energy supplied to the retail customers to which the TSC is applicable. Such ancillary transmission services costs shall include costs for scheduling, system control, and dispatch service; reactive supply and voltage control from generation sources service; regulation and frequency response service; net penalties or credits for energy imbalance service; operating reserve — spinning reserve service; operating reserve — supplemental service; and any other service identified as an ancillary transmission service as provided in the then effective tariff on file with the FERC applicable to the transmission system located within the Company's service territory.

ARF = Automatic Reconciliation Factor, in dollars, computed to account for the over- or under-recovery of actual transmission services costs in the Prior Year incurred by the Company for retail customers that had received electric power and energy supply services from the Company under Rider PPO-MI and Rider ISS.

E = Energy, in kWhs, estimated to be supplied by the Company to retail customers receiving electric power and energy supply services from the Company on an unbundled basis under the terms of Rider PPO-MI or Rider ISS during the twelve monthly billing cycle period extending from June through the following May during which the TSC is to be applicable.

COST RECOVERY FROM CUSTOMERS SERVED BY RESs.

The calculation and application of the Transmission Services Recovery Charge (TSRC) provides the mechanism to recover costs incurred to provide transmission services and ancillary transmission services to retail customers receiving electric power and energy supply services from RESs in those instances in which any such RES, acting on behalf of such retail customers, arranges for transmission services and ancillary transmission services on behalf of such customers from the Company and/or a regional transmission organization providing such services but does not remit payment on the customers' behalf in accordance with applicable tariffs or agreements under which such services are provided.

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COST RECOVERY FROM CUSTOMERS SERVED BY RESs (CONTINUED).

$$\text{TSRC} = \left[\frac{E_C}{E_R} \right] \times (\text{UTPC}_R)$$

Where:

- TSRC = Transmission Services Recovery Charge, in dollars, charged to the retail customer to recover the costs of providing the customer with transmission, ancillary transmission, and related services that had been initially billed to a RES acting on behalf of such retail customer but for which the RES did not remit payment.
- E_C = Total energy, in kWh, delivered to the retail customer for which the RES was arranging transmission services and/or ancillary transmission services during each Company billing period that contains one or more days falling within a transmission service billing period for which the RES has failed to remit full payment.
- E_R = Total energy, in kWh, delivered to all the retail customers for which the RES was arranging transmission services and/or ancillary transmission services during each Company billing period that contains one or more days falling within a transmission service billing period for which the RES has failed to remit full payment.
- UTPC_R = The Unpaid Transmission Provider's Charges for a RES, equal to the overdue and unpaid charges initially billed to that RES on behalf of retail customers in the Company's service territory to which the RES is supplying electric power and energy. Such UTPC_R shall include all applicable costs to obtain transmission services, ancillary transmission services, and/or related services, including administrative fees and congestion management fees, as provided in accordance with the transmission provider's then effective tariff on file with the FERC applicable to the transmission facilities within the Company's service territory.

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GENERAL.

No later than the first business day on or after April 1st each year, the Company shall file with the ICC, for informational purposes, the applicable TSC for the monthly billing cycles beginning in June of such year and extending through May of the following year along with work papers detailing the determination of such TSC based upon the equation provided herein.

No later than the first business day on or after April 1st and July 1st of each year, the Company, for the purposes of determining CTCs, shall file with the ICC for informational purposes the TCs applicable in the determination of CTCs along with work papers detailing the determination of such TCs based upon the equation provided herein.